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New York Public Transit Association Response to 2009 Executive Budget

The New York Public Transit Association (NYPTA) consists of over 165 members, including public transit systems located throughout the state which collectively provide over two billion transit rides on bus and rail annually. While the Association recognizes that the State is fiscally constrained due to the current economic climate, we **strongly oppose** the proposed reductions in operating funds for New York's transit systems. These reductions total nearly 10% for all systems in the aggregate with cuts of 4.4% for most systems. In addition, a number of the proposed reductions would eliminate legislative actions in last year's State Budget. Increased ridership together with fluctuating fuel costs have stretched the existing resources of transit operators across New York State and have created substantial financial pressure on urban, rural and suburban transit operators. As detailed in the media, transit systems have worked to address these increased operating costs through cost cutting, route redeployment and fare increases while attempting to maintain service for our riders. Transit is of critical importance to your constituents. NYPTA's suggestions to restore or alleviate these reductions are detailed below.

Restore Proposed Cuts

The 2009-10 Executive Budget significantly reduces state public transit operating assistance (STOA) by over \$285.6 million, dropping it from \$2.96 billion to under \$2.68 billion. Total downstate STOA is slated to be cut by over \$272 million or 9.77%, the bulk of which will come from the MTA. STOA for upstate systems will see a \$13.3 million cut, which represents a 7.57% reduction over current levels. These reductions are the result of applying a 4.4% across the board reduction in 2009-2010 appropriations for transit operating assistance on top of reductions for legislative increases and one-time fund balance draws. **In order to enable our members to continue to provide essential transit services across New York State, we ask for restoration of these proposed cuts.**

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Establish Dedicated Revenue Sources

To meet public transit's capital and operating needs, the State must consider new dedicated revenue sources. The Executive Budget includes legislation that would impose a 25% increase to number of motor vehicle license and registration fees to generate revenue for the Dedicated Bridge and Highway Trust Fund (DBHTF). These proposals are projected to bring in an additional \$82.4 million on top of a projected \$60 million increase before statutory changes. NYPTA strongly urges that a portion of this revenue also be diverted into the dedicated transit fund to provide needed capital to transit systems, rather than commit all new revenue to the DBHTF. In addition we suggest the following:

- **an increase or surcharge added to the Petroleum Business Tax (PBT)** to provide additional operating revenue for transit systems;
- **an increase in the Mortgage Recording Tax (MRT) for counties within the districts of the four upstate regional systems** and dedicate the overall additional revenue to upstate STOA. Currently, each authority receives .25% of the MRT on a district by district basis;
- **Amending DERA**(Proposed Revisions to Part 248, Use of Ultra Low Sulfur Diesel Fuel and Best Available Retrofit Technology for Heavy Duty Vehicles) **to provide a waiver for buses within 36 months of their retirement/useful life will save non-MTA transit properties \$18.39 million – preserving 245,000 existing service hours;** and
- **Submit an Environmental Bond Act to the voters** which includes funding for alternative fuel buses and green facilities which will cut pollution and lower the carbon footprint of New York State communities.

NYPTA also supports the financial recommendations made by the Commission on Metropolitan Transportation Authority Financing, commonly known as the Ravitch Commission, to finance the growing capital and operating needs of the MTA.

NYPTA members recognize the difficult financial circumstances faced by the State and are attempting to work within the State's budget restrictions. Should the Legislature fail to restore the proposed cuts to transit as well as provide increased aid for transit operating and capital needs, the resulting negative economic impact could easily exceed the purported savings. It will result in the elimination of additional key routes coupled with increased fares and decreased service. Any of these actions would stifle existing economic activity and/or limit the expansion of New York State's economic growth.

In addition to working with the legislature to pass a budget that will ensure safe, accessible and reliable public transit for New York State, NYPTA stands ready to aid the Governor and the New York Congressional Delegation on federal stimulus legislation to benefit public transit.

Transit is Key to the State's Financial Health

Transit providers are a key contributor to New York State's financial health, with 70% of all mass transit trips taking residents to and from work. Transit dollars provide a ripple effect in New York's economy with operating aid providing an economic multiplier of 3.2 for every dollar invested. NYPTA consists of over 165 members, including public transit systems located throughout the state which collectively provide over two billion transit rides on bus and rail annually. To find out more about NYPTA visit www.nytransit.org. We appreciate your continued support for New York State's public transit systems.